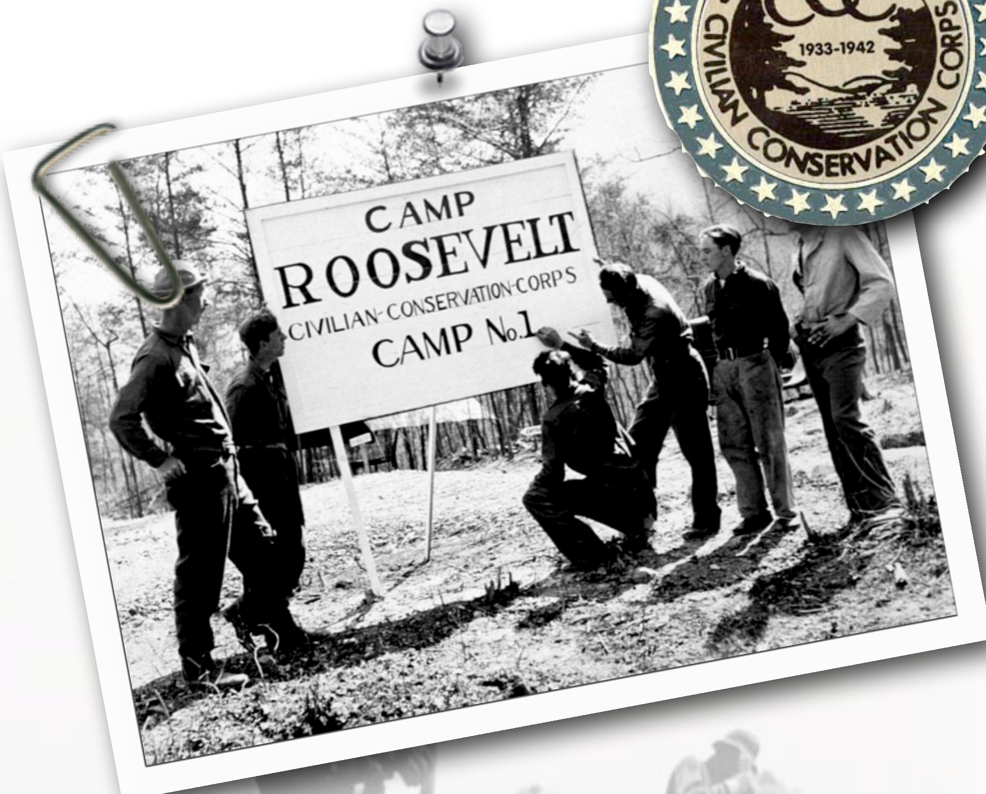
THE CIVILIAN CONSERVATION CORPS

CCC

1933

THE FIRST NEW DEAL



OVERVIEW

The CCC was an environmental program that put 2.5 million unmarried, young men to work maintaining and restoring forests, beaches, and parks. Workers earned only $1 a day but received free housing in barracks in CCC camps and job training. The vast remaining portion of their paychecks were sent home to help their families make ends meet. From 1934 to 1937, this program funded similar programs for 8500 unemployed women. The CCC taught the men and women of America how to live independently, thus, increasing their self-esteem.

THE AGRICULTURAL ADJUSTMENT ACT

AAA

1934

THE FIRST NEW DEAL

OVERVIEW

The AAA tried to raise farm prices. It used proceeds from a new tax to pay farmers not to raise specific crops and animals. Lower production would, in turn, increase prices. Farmers killed off certain animals and crops as they were paid to do by the AAA. Many could not believe that the federal government was condoning such an action when many Americans were starving. The tax used to pay farmers to lower crop and livestock production would later go on to be declared unconstitutional by the Supreme Court.

THE NATIONAL INDUSTRIAL RECOVERY ACT NIRA 1933

THE FIRST NEW DEAL

OVERVIEW

The decline in industrial prices in the 1930s caused massive amounts of business failures and thus heavy unemployment. The NIRA was formed in order to boost declining prices, helping businesses and ultimately workers. The NIRA also allowed trade associations in many industries to write codes regulating wages, working conditions, production, and prices. It also set a minimum wage. The codes stopped the tailspin of prices for a short time, but soon, when higher wages went into effect, prices rose too. Thus, consumers stopped buying. The continuous cycle of overproduction and under consumption put businesses back into a slump. The National Recovery Administration was later declared unconstitutional by the Supreme Court.

THE FEDERAL DEPOSIT INSURANCE CORP

FDIC

1934

THE FIRST NEW DEAL

OVERVIEW

The Federal Deposit Insurance Corporation (FDIC) was formed by Congress to insure bank deposits up to $2500. Insured institutions are required to place signs at their place of business stating that "deposits are backed by the full faith and credit of the United States Government." With confidence that the funds that they deposit in a bank will never be lost again as a result of a bank failure, Americans again put their money into accounts and money began to flow again in financial institutions. Since the start of FDIC insurance on January 1, 1934, no bank customer or depositor has lost a single cent of insured funds as a result of a bank failure.